

Machinery: A Senatorial Scapegoat

By Harry Gunnison Brown

Senator Claude Pepper of Florida is quoted in a recent news dispatch as saying: "There are some who think that a return of prosperity will solve the unemployment problem. They might as well expect the unemployment problem to be solved by the return of the wagon body factories." The Senator went on to say that the "machine age" means "there will never be an opportunity in private industry for anything like the men and women in this country who need work and want to work."

Senator Pepper seems to be a believer in the old idea that there is only a definite amount of work to be done in a capitalistic system, and that if machines are invented to do more, men must be idle.

But this is definitely not the case. Why should labor-saving machinery—except as there may be **monopoly**—decrease the opportunities for employment? Labor-saving machinery enables goods to be produced with less labor and, therefore, at lower prices. The public will presumably buy more of the goods thus more cheaply produced. And it may buy enough more of them so as to employ as many workers in the favored industries as before. But even if it does not and even if, therefore, the labor-saving machinery displaces some labor in the industries where it is introduced, the consequent cheapening of these goods—assuming no monopolistic control to prevent such cheapening—leaves consumers more money to purchase other goods that they previously could not afford. The result is that **new opportunities are available for labor in producing these other goods.** Except for the difficulties and delays of transfer to new industries, labor-saving machinery never occasions any unemployment.

It is true that we handle our economic system in such a way as to make a large amount of unemployment inevitable. Thus, we so manage our banking system as to allow

—as in 1929-1932—a terrific decrease in the volume of circulating medium, so that the demand for goods and for labor at customary prices and wages inevitably declines. We permit—as under the N.R.A.—agreements to hold up prices at the very time when monetary purchasing power is deflated, thus further discouraging the buying of goods. And then, when our factories and mines are being worked far below capacity and millions are unemployed in our cities, we offer—as under the A.A.A.—bribes to landowners to take land out of use and thereby to decrease opportunities for employment in the country.

Indeed, long before the advent of the A.A.A., our policy encouraged—even though not quite so dramatically—the reducing of opportunities for profitable employment, through the holding of good land out of use. That such speculative holding of land out of use decreases the opportunities of labor for profitable employment is not really hard to see,—except for those who are **determined not to see.** If good land is held out of use, then labor must resort to poorer land,—poorer city sites, poorer mines, poorer agricultural land. Or else labor must be crowded unduly—and with consequent diminution in efficiency—on what good land is still available to use. Therefore, **wages must be lower or, if high wages are nevertheless insisted on, there must be unemployment.**

Yet we follow the policy of taxing bare-land-values very little and of raising government revenue rather by taxing improvements, taxing the incomes men earn by hard work and thrift and taxing the necessities of the poor. For the one thing our dyed-in-the-wool conservatives and

our great "liberals" seem to agree on is that there shall be the least possible tax on community-produced land values, and that those to whom the rest of us must pay billions of dollars a year for permission to work on and to live on the earth, shall enjoy these billions with no more tax subtraction than if they earned the money by the hardest kind of labor.

Senator Pepper, according to the news item quoted above, blames the "machine age" for our troubles. Such a pronouncement is certainly impersonal enough and will not arouse the anger or political opposition of any vested interests, while it appears to evidence a reasonable sympathy with the unfortunate laborers who suffer from lack of jobs. Perhaps it's just as well, Senator, **not to find out the real sources of our economic troubles and inequality.** For to understand and to point out how a landowning class lives parasitically on the workers might not for a time register with those workers who cannot see the difference between capital and land, and it might well arouse the unrelenting opposition of the beneficiaries of the existing set-up.

